

**MINUTES OF THE
EXECUTIVE OFFICES & CRIMINAL JUSTICE
JOINT APPROPRIATIONS SUBCOMMITTEE
ROOM C415, STATE CAPITOL BUILDING
September 25, 2008**

Members Present: Sen. Michael G. Waddoups, Co-Chair
Rep. Eric K. Hutchings, Co-Chair
Sen. Curtis S. Bramble
Sen. Scott D. McCoy
Rep. Douglas C. Aagard
Rep. Keith Grover
Rep. Christopher N. Herrod
Rep. Brad King
Rep. Curtis Oda

Members Absent: Rep. Jennifer M. Seelig

Staff Present: Gary Ricks, Fiscal Analyst
Gary Syphus, Fiscal Analyst
Carrie Griffith, Committee Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

Sen. Waddoups called the meeting to order at 10:53 a.m. He welcomed everyone and explained the reason for the meeting was to cut budgets and funding from departments and individual agencies because of a budget shortfall within the State. He expressed interest in hearing from each department and agency within the Subcommittee as to where they felt their budgets could be cut. He commented that efforts would be made to meet the needs of the citizens while still being obligated to keep the budget in balance. He also recommended that they listen to the Fiscal Analysts suggestions on possible scale-backs.

Gary Ricks, Fiscal Analyst, addressed the Subcommittee. He expressed appreciation to the GOPB and other agencies for their willingness to work together through the budget reduction process.

Mr. Ricks mentioned there was an Executive Appropriations Committee (EAC) Meeting held earlier in the day. The EAC outlined a format they desired everyone would implement, which would allow agencies to step forward and present their recommendations for a 3% ongoing appropriation reduction to their General Fund budgets. Mr. Ricks mentioned there are nine separate agencies within this Subcommittee. Because he wanted to give everyone an opportunity to speak and also for Subcommittee members to ask questions, he noted each agency would not have a lot of time to present their budget cut recommendations.

Attorney General

Werner Haidenthaller, Chief Administrator, accompanied by Kirk Torgensen, Chief Deputy and Ray Hintze, Chief Deputy, addressed the Subcommittee. He described the difficult dilemma in finding a 3% cut within their department but expressed a willingness in doing their part to cut back where needed. A handout detailing possible budget cuts was distributed and discussed by Mr. Haidenthaller, including Mortgage Fraud Reduction, Safety Net Initiative Reduction, and Other Expense Reductions.

Mr. Torgensen clarified that although there will be a reduction in some of these programs, they would not be ignored, especially internet education for children. He acknowledged that it is a critical function and the Office will continue with that service.

Courts

Rick Schwermer, Assistant Court Administrator, accompanied by Derek Byrne, Budget Manager, addressed the Subcommittee and asked for as much flexibility as possible from the Subcommittee regarding budget cuts. A handout was distributed detailing ongoing and one-time areas the Courts are willing to scale-back their budget. These items include eliminating janitorial staff, close court facilities, travel, hiring freeze, staff reduction, incentive awards, DP projects, guardianship conservator, and other areas.

Gary Ricks, Fiscal Analyst, distributed a handout showing the Analysts budget cut recommendations for each department or agency within the Subcommittee. He further explained the purpose of the meeting, stating each department or agency should be looking at a 3% reduction in Ongoing General Funds and also a 3% One-time. He also suggested they look at a further 1% Ongoing and 1% One-time reduction.

Auditor

Auston Johnson, State Auditor, addressed the Subcommittee. He stated they will not be doing performance audits for the time being. He also mentioned the department is generally in a deficit position 18 months to 2 years in advance because of their hiring practices with students just out of college.

Board of Pardons

Curtis Garner, Chairman, accompanied by Clark Harms, Vice Chairman, addressed the Subcommittee. Mr. Garner commented that the recommendation of the Analysts mirror the Governor's budget recommended budget cuts, and one they agree on within the Agency. He identified some potentially drastic results that could take place within their Agency by cutting

even one hearing officer position. Mr. Garner and Mr. Harms responded to questions raised by committee members.

Governor

Sandy Naegle, Financial Manager, assisted by Dave Walsh, Deputy Director Criminal and Juvenile Justice (CCJJ), summarized where they have suggested cuts within the Governor's Line Item, Governor's Office of Planning and Budget (GOPB), and CCJJ, which includes Crime Victims Reparations. She explained they are willing to feel the cuts, just like everyone else, and outlined the areas they are recommending for reductions.

Mr. Walsh described the vacancies within CCJJ at this time.

Treasurer

Richard Ellis, Deputy Director, briefly addressed the Subcommittee, acknowledging agreement with the Analysts recommendations. He stated that Treasury and Investment reduction should be \$16,400, and Money Management Council should be \$15,200. Those two number had been switched.

Juvenile Justice

Dan Maldonado, Director, accompanied by Rick Platt, Administrative Services Director, proposed a small reduction in administrative services and fairly large cut in residential placement. He explained how the cuts would affect the rural centers and other areas throughout the State. Mr. Maldonado and Mr. Platt responded to questions raised by Subcommittee members.

Public Safety

Scott Duncan, Commissioner, accompanied by Joe Brown, Budget Manager, and Lance Davenport, Superintendent Highway Patrol, addressed the Subcommittee. Mr. Duncan noted the department's budget reduction recommendations coincide with the Analysts suggestions. Noting the department would be affected by cutting into some areas, such as cutting and reducing troopers, he also expressed a willingness to do their part in the budget cuts.

Mr. Brown and Mr. Duncan responded to questions raised by committee members.

Corrections

Tom Patterson, Executive Director, accompanied by Mike Haddon, Deputy Director, and Cliff

Butter, Research and Planning, addressed the committee. They described the impact the budget reductions will have on their department, but expressed willingness to do their part. Mr. Patterson responded to concerns raised by committee members regarding the burden on Corrections by cutting programs and FTEs within the department.

MOTION: Rep. Oda moved to recess.

Sen. Waddoups recessed the meeting at 12:15 p.m.

The Session **reconvened** at 2:45 p.m.

Rep. Hutchings called the meeting to order.

Dave Walsh, Deputy Director CCJJ, accompanied by Christine Mitchell, Director Research and Data, answered questions regarding the DORA program.

A handout was distributed regarding DORA. Dr. Mitchell explained the philosophy of DORA, stating it's too new of a program to give feedback on how it is working at this time.

The Fiscal Analysts presented a handout with the additional 1% Ongoing cut options. A 1% One-time Hold Harmless General Fund was also presented, which will go into effect FY'10. The handout also included the 3% Ongoing and 3% One-time cut options.

Each Department was given the opportunity to present their approval of the 1% cuts.

The following motions were made from the above-mentioned handout, a copy of which is attached to the back of these minutes:

MOTION: Sen. Waddoups moved to adopt the EOCJ 3% Ongoing General Fund, page 1, as presented. The motion passed unanimously with Sen. McCoy and Rep. Seelig absent for the vote.

MOTION: Sen. Waddoups moved to adopt the 3% One-time Cut Options General Fund, page 2, with the exception \$800,000 for Courts (items 22 and 23) which will be put into the Ongoing General Fund. The motion passed unanimously with Sen. McCoy and Rep. Seelig absent for the vote.

MOTION: Sen. Waddoups moved to adopt the 1%, page 4, One-time Hold Harmless General Fund cuts as presented. The motion passed unanimously with Sen. McCoy, Rep. King and Rep. Seelig absent for the vote.

MOTION: Sen. Waddoups moved to adopt the One Time General Fund, page 5, \$5,000,000 for DPS and \$800,000 for Courts, as presented. The motion passed unanimously with Sen. McCoy, Rep. King and Rep. Seelig absent for the vote.

MOTION: Sen. Waddoups moved to adopt the 1% Ongoing General Fund List, page 3, excluding DORA. There are three DORA items on the list. The motion passed unanimously with Sen. McCoy, Rep. King and Rep. Seelig absent for the vote.

MOTION: Rep. Oda moved to adjourn.

Rep. Hutchings adjourned the meeting at 4:10 p.m.

Sen. Michael G. Waddoups, Co-Chair

Rep. Eric K. Hutchings, Co-Chair